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<u>Tips for Licensees - Common Issues</u>

These tips are intended to provide guidance to marijuana businesses on:

- Plant count limits for cultivator licenses
- How to submit a virtual transfer request
- MDARD guidance: hemp in food and dairy products
- Sales of marijuana and non-marijuana products

Plant Count Limits

"Plant" means any living organism that produces its own food through photosynthesis and has observable root formation or is in growth material."

Source: Section 102(u), Medical Marihuana Facilities Licensing Act – 333.27102 (u)

"Immature plant" means a nonflowering marihuana plant that is no taller than 8 inches from the growing or cultivating medium and no wider than 8 inches, produced from a cutting, clipping, tissue culture, or seedling, and that is in a growing or cultivating medium or in a growing or cultivating container.

Source: Rule 1(g), Marijuana Licensees Rule Set – R 420.101 (g)

"Mature plant" means a flowering or nonflowering marihuana plant that has taken root and is taller than 8 inches from the growing or cultivating medium or wider than 8 inches, produced from a cutting, clipping, tissue culture, or seedling, and that is in a growing or cultivating medium or in a growing or cultivating container."

Source: Rule 1(o), Marijuana Licensees Rule Set – R 420.101 (o)

Medical Growers

Medical growers have the following plant count limits:

- Class A = Up to 500 plants
- Class B = Up to 1,000 plants
- Class C = Up to 1,500 plants



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The definition of plant listed above applies to both immature plants and mature plants under the MMFLA and the MMFLA Licensee Rule Set of the Administrative Rules [R 420.108(1)]. By this definition, <u>both</u> immature plants and mature plants are counted in the licensee's overall plant count. The combined number of immature plants and mature plants located at a medical grower must not exceed the plant count limit for that medical grower license type.

Adult-Use Marijuana Growers

For the purposes of this rule, only mature marihuana plants are included in the plant count in subrule (1) of this rule.

Source: Rule 2(2), Marijuana Licensees Rule Set – R 420.102 (2)

Adult-use marijuana growers have the following plant count limits:

- Class A = Up to 100 plants
- Class B = Up to 500 plants
- Class C = Up to 2,000 plants
- Microbusiness = Up to 150 plants
- Excess Grower = Up to 2,000 plants

The number of mature plants located at an adult-use marijuana grower must not exceed the plant count limit for that adult-use marijuana grower license type. Immature plants do not count towards an adult-use marijuana grower licensee's plant count.

Virtual Transfer Requests

The Marijuana Regulatory Agency has received numerous requests from licensees asking for authorization to conduct virtual transfers to correct errors for products that have been incorrectly shipped and/or received. Please review this Common Issues Bulletin released on March 4, 2021 that details the regulation of and best practices for accepting and rejecting transfers.

To request the required agency approval for a virtual transfer:

1. Obtain a Metrc Support Ticket Number from Metrc Support – Metrc Support can be contacted at (877) 566-6506 or by emailing support@metrc.com



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- 2. Send an email request to MRA-Compliance@michigan.gov and include the following information:
 - Subject line: Virtual Transfer Request
 - Complete and attach the virtual transfer request form found <u>here</u>

Virtual transfers are approved or denied by the agency on a case-by-case basis. Requests should be rare and may result in further investigation or disciplinary action.

MDARD Guidance: Hemp in Food and Dairy Products

On May 3, 2021, the Michigan Department of Agricultural & Rural Development (MDARD) released guidance regarding hemp in food and dairy products. MDARD's guidance can be found here. MRA licensees should be aware that any **edible product not containing marijuana** is subject to the guidance issued by MDARD.

Sales of Marijuana and Non-Marijuana Products

Ensure that employees handle marihuana product in compliance with current good manufacturing practice in manufacturing, packing, or holding human food, 21 CFR part 110, as specified in these rules.

Source: Rule 2(h), Marijuana Employees Rule Set - R 420.602 (2) (h)

Marijuana can be packaged with non-marijuana products if the marijuana is packaged in compliance with Good Manufacturing Practices (GMP). Marijuana needs to be self-contained /self-packaged; it cannot be in direct contact with non-marijuana products that do not meet GMP. For example, if a one hitter and bud are bundled together in the same packaging, the bud within the package must additionally be self-contained/self-packaged so that it is separate from the one hitter; the bud should not be in direct contact with the one hitter unless the one hitter meets GMP standards.

Except as otherwise provided by a rule promulgated by the department of treasury, a product subject to the tax imposed by this section may not be bundled in a single transaction with a product or service that is not subject to the tax imposed by this section.

Source: Section 13(2), Michigan Regulation and Taxation of Marihuana Act – MCL 333.27963 (2)



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For detailed information regarding the proper way for an adult-use retailer or adult-use microbusiness to process sales of marijuana and non-marijuana products, refer to the following bulletin issued by the Michigan Department of Treasury on October 16, 2020, that can be found here.